

Minutes
Wylie Economic Development Corporation
Board of Directors Meeting

Friday, April 17, 2015 – 6:30 A.M.
WEDC Offices – Conference Room
250 South Highway 78 – Wylie, Texas

CALL TO ORDER

Announce the presence of a Quorum

President Marvin Fuller called the meeting to order at 6:32 a.m. Board Members present were John Yeager, Mitch Herzog and Todd Wintters.

Ex-officio member Mindy Manson, City Manager was present.

WEDC staff present was Executive Director Sam Satterwhite and Sr. Assistant Angel Wygant.

CITIZEN PARTICIPATION

Lynn Grimes reminded the Board that Jazz Fest would be held rain or shine the following day and the Taste of Wylie and the Live Auction benefiting the Christian Care Center would be held April 27th at the First Baptist Church Events Center and encouraged the Board members to attend.

ACTION ITEMS

ITEM NO. 1 – Consider and act upon approval of the April 15, 2015 Minutes of the Wylie Economic Development Corporation (WEDC) Board of Directors Meeting.

MOTION: A motion was made by John Yeager and seconded by Todd Wintters to approve the April 15, 2015 Minutes of the Wylie Economic Development Corporation. The WEDC Board voted 4 – FOR and 0 – AGAINST in favor of the motion.

ITEM NO. 2 – Consider and act upon approval of the March 2015 WEDC Treasurer's Report.

MOTION: A motion was made by Mitch Herzog and seconded by John Yeager to approve the March 2015 WEDC Treasurer's Report. The WEDC Board voted 4 – FOR and 0 – AGAINST in favor of the motion.

ITEM NO. 3 – Consider and act upon approval of an Amendment to the Performance Agreement between the WEDC and Getset, LLC.

Staff reviewed an existing Performance Agreement between the WEDC and Getset, LLC which outlines a WEDC assistance package associated with the construction of a 6,700 square foot commercial project to be located on Century Way in Wylie. The Agreement calls for Getset to

obtain a certificate of occupancy (CO) no later than May 1, 2015 for the contemplated improvements.

Due to significant rain events over the last several months and continuing currently, Getset has been delayed in their construction process. With the flat work and excavation complete, the roof approximately 2/3 complete, and masonry to begin the week of April 20, Getset officials believe they will be finished in June which would translate into a July 1, 2015 CO date. However, staff recommends an amendment to the Agreement calling for an August 1, 2015 requirement for CO so as to provide additional time for further unforeseen delays.

Staff recommended that the WEDC Board of Directors approve an amendment to a Performance Agreement between the WEDC and Getset, LLC allowing for a CO to be permitted no later than August 1, 2015.

MOTION: A motion was made by Mitch Herzog and seconded by Todd Wintters to approve an amendment to a Performance Agreement between the WEDC and Getset, LLC allowing for a CO to be permitted no later than August 1, 2015. The WEDC Board voted 4 – FOR and 0 – AGAINST in favor of the motion.

ITEM NO. 4 – Consider an Enrichment Grant Application for improvements to a property located at 212 S. Marble.

Staff presented a grant application from Mr. Bob Heath for enhancements to property located at 212 S. Marble (The Old Blue House). Mr. Heath is seeking assistance to ‘repaint the exterior’ of the house which is leased to several businesses.

As required, Mr. Heath has provided three bids for the contemplated work as follows:

1. Talent Construction - \$8,108.84
2. Chuy’s Painting Contractor - \$7,800.00
3. Castro Painting - \$9,500.00

Staff also reviewed the Guidelines which state that the Program Purpose is to assist businesses in maintaining a well-ordered exterior appearance. The Guidelines also identify Qualified Expenses as *improvements undertaken to enhance, upgrade, or address structural issues creating a severely distressed physical environment.*

Staff stated that the request qualifies under the Program Purpose but was not distressed to a level exhibiting structural problems. Staff further believed that this request would fall into a category of customary maintenance that should be expected of a property owner. However, by taking this position staff posed the question would the WEDC be rewarding a property owner for not undertaking regular maintenance of their building so that it could get to a severely distressed state and receive a grant?

Staff recommended that the WEDC fund a \$3,900 Enrichment Grant to Mr. Bob Heath which is equal to 50% of the low bid from Chuy's Painting Contractor.

The Board felt that the request technically fell within the guidelines of the Program Purpose and agreed to fund the grant at a lesser level of 25%, or \$1,950, since the scope could be considered what would normally be considered maintenance by the property owner.

MOTION: A motion was made by Mitch Herzog and seconded by John Yeager to approve an Enrichment Grant to Mr. Bob Heath in the amount not to exceed \$1,950 subject to the terms and conditions of the Enrichment Grant Program Guidelines. The WEDC Board voted 4 – FOR and 0 – AGAINST in favor of the motion.

ITEM NO. 5 – Consider and act upon a Real Estate Contract between the WEDC and the Birmingham Land Trust for the purchase of property located at 505 S. Ballard, 507 S. Ballard, 601 S. Ballard, 603 S. Ballard, 605 S Ballard and 607 S. Ballard, all located within the City of Wylie, Texas.

Provided for the Board's review was a Real Estate Contract by which the WEDC will purchase 6 lots from the Birmingham Land Trust. The properties currently support single family and multi-family rental homes with all in a significant state of disrepair. The purchase price of \$409,000 was developed from an original offer of \$365,000, demolition costs of \$39,000, and a \$5,000 management fee for the Birmingham Trust to complete the demolition prior to closing.

Staff presented that they became aware the Trust was focusing their attention on west Ballard and divesting itself of assets on east Ballard and approached the Trust with an interest in acquiring the sites. While staff believes this acquisition by the WEDC will be a long-term hold in terms of securing a third party to redevelop the site, equal emphasis is given to securing the discontinuation of the current use and cleaning up an entry point into the community.

Assuming approval of this contract, staff commented that the WEDC will place in escrow the entire purchase price as called for in Section 11. Following WEDC acceptance of the Title Commitment and the removal of all debris and concrete, escrowed monies will become non-refundable.

Staff recommended that WEDC Board of Directors approve a Real Estate Contract between the WEDC and the Birmingham Land Trust for the purchase of property located at 505 S. Ballard, 507 S. Ballard, 601 S. Ballard, 603 S. Ballard, 605 S Ballard and 607 S. Ballard, all located within the City of Wylie, Texas and further authorize President Fuller to execute all closing documents associated with the purchase of the same.

MOTION: A motion was made by Mitch Herzog and seconded by Todd Wintters to approve a Real Estate Sales Contract between the WEDC and the Birmingham Land Trust for the purchase of property located at 505 S. Ballard, 507 S. Ballard, 601 S. Ballard, 603 S. Ballard, 605 S Ballard and 607 S. Ballard, all located within the City of Wylie, Texas. Further, the

Board authorized WEDC President Marvin Fuller to execute all closing documents associated with the purchase of the same. The WEDC Board voted 4 – FOR and 0 – AGAINST in favor of the motion.

ITEM NO. 6 – Consider and act upon a Chapter 380 Development Program and Agreement between the WEDC and the City of Wylie.

Presented to the WEDC Board was a Chapter 380 Development Program and Agreement between the WEDC and the City of Wylie. The Agreement calls for the City of Wylie to fund \$202,000 toward the outlined development program which calls for the WEDC to acquire and market six lots on South Ballard for redevelopment. As per the Agreement, the WEDC must complete the identification of and conveyance of properties to a third party within 30 years. Upon the sale of each and/or all properties, the WEDC will reimburse the City 50% of the sales price less expenses. Finally, the Agreement calls for the City to mow the properties on an as-needed basis as determined by the City.

Staff originally approached the City Manager for assistance on this purchase due to the potential long term hold for redevelopment of the properties understanding however that a change in use could be important to the community.

Staff recommended that the WEDC Board of Directors approve a Chapter 380 Economic Development Program and Agreement between the WEDC and City of Wylie and further authorize President Fuller to execute the same.

MOTION: A motion was made by Mitch Herzog and seconded by John Yeager to approve a Chapter 380 Economic Development Program and Agreement between the WEDC and City of Wylie and further authorize President Fuller to execute the same. The WEDC Board voted 4 – FOR and 0 – AGAINST in favor of the motion.

DISCUSSION ITEMS

ITEM NO. 7 – Staff report: review issues surrounding Performance Agreements between the WEDC and: Woodbridge Crossing, Ascend Custom Extrusions, CSD Woodbridge, and Exco Tooling Solutions, Jackson Street properties, ICSC 2015 National Conference, WEDC web site and aerial update, sporting events, and regional housing starts.

Analysis

As a reminder to Board members, the Board may not discuss an item which is not specifically identified on the agenda. Only those items listed above can be discussed. Should any Board member want an issue be placed on the agenda at any time prior to a Board meeting, please contact the WEDC President or staff.

Woodbridge Crossing

Attached for the Board's review was the Sales Tax Reimbursement Report which identifies all sales taxes received through March 2015 within Woodbridge Crossing for the City General Fund, the WEDC, and the 4B. As a reminder, the City and WEDC reimbursed 85% of all sales tax generated within Woodbridge Crossing through September 2013 with the reimbursement percentage reduced to 65% thereafter. Due to the default under the Amended and Restated Performance Agreement, Woodbridge Crossing is only eligible to receive up to \$6 million in sales tax reimbursement through September 2021 as opposed to the maximum reimbursement of \$12 million originally contemplated.

\$2,754,444.52 has been reimbursed through March 2015 with net receipts of \$1,916,969 after reimbursements. As well, it is estimated that \$2.5 mm has been paid in ad valorem taxes to the City of Wylie (excluding the WISD).

As shown on the Sales Tax Reimbursement Report, \$85,839 was generated in sales tax in January 2015 versus \$69,774 in December of 2013. This increase represents a 23% gain over 2014 receipts. The Board will recall though that many businesses were not being tracked properly by the Comptroller which was identified and corrected in February 2014. Therefore, a more accurate year over year analysis will be available in May 2015

Ascend Commercial Lease and Performance Agreement

Attached for review was the Ascend Custom Extrusion Critical Dates Analysis and Performance Agreement Monitoring Procedures. Payment #4 of 5 for the Economic Incentives has been funded with Ascend meeting all Performance Obligations within Sections A and B of the attachment.

Also attached for review was the summary of a second Performance Agreement between the WEDC and ACE which was approved in December 2013. Payment #2 of 4 has been funded with Ascend meeting all Performance Obligations within Section A of the attachment.

Ascend currently has 207 employees and runs 3 shifts in shipping & packing, 7" press, 8" press, and 2 shifts in the 9" press and paint & fabrication. A 3rd shift should come on line for the 9" and Paint & fabrication by the end of May bringing total employment to 220.

CSD Woodbridge Performance Agreement

On July 15, 2013 a certificate of occupancy (CO) was issued for Kroger Marketplace. Beginning October 1, 2013 and ending October 1, 2023, Clark Street Development is eligible to receive a ½ cent sales tax reimbursement from the WEDC (City of Wylie not part of sales tax reimbursement agreement). Quarterly payments are made to Clark Street based upon the data provided by the Comptroller. In addition to a \$100,000 reimbursement incentive paid by the WEDC at CO, Clark Street is eligible to receive cumulative incentives of \$1,100,000 over the life of the Agreement.

Along with a summary of the Performance Agreement, a Sales Tax Reimbursement Report was included for the Board's review.

Exco Tooling Solutions

Exco has begun construction of its 30,000 square foot facility within Premier Business Park. All indications point to an October completion date. As provided in the Summary of Performance Obligations, the WEDC will fund an \$87,000 incentive upon issuance of a CO followed by four payments of \$20,000 over the following four years.

Jackson Street Properties

Staff reported that Demolition of the laundromat was complete with Intercon still needing to put up a barrier/fence to keep cars from parking on the pad. Staff has also contracted to sod the area to reduce the runoff of mud onto the alley. Intercon did go over the area with a larger roller/magnet that picked up many screw from the metal building that was removed. Staff has reached out to area retailers to offer reimbursement for damaged tires with no response.

Staff has also hired McCarthy Architecture to assist with a concept design for a mixed use development for Jackson Street. Staff is eager to identify how the area will be parked and cost estimates for a multi-story parking garage. Staff is expecting preliminary drafts on April 23rd.

Staff has also met with an investment firm which is interested in developing a 3 – 4 story mixed use development utilizing new development tax credits (not to be confused with low income tax credits).

ICSC 2015 National Conference

Board members Fuller, Yeager and Mayor Hogue will be attending ICSC May 17 – 20. To date there are no specific meetings established with staff and our consultant, The Retail Coach, diligently working on the same over the next 3 weeks.

WEDC Website and Aerial Update

The new aerial being produced will be finalized and ready to go to production by April 27th to be completed no later than May 11th. Staff had narrowed down selection of a web site design firm to a single candidate; however their references did not support our expectations. The WEDC now has selected ED Suite which does business almost exclusively with EDC's across the state. The kickoff meeting with staff is scheduled for the end of April.

Sporting Events

Staff attached a spreadsheet by which the use of Mavericks tickets is tracked.

Regional Housing Starts

Thirty-one homes were permitted in Wylie for March 2015. Sachse, Lavon, and Murphy permitted a combined thirty-six homes over the same period.

No action is requested by staff for this item.

EXECUTIVE SESSION

Recessed into Closed Session at 7:25 a.m. in compliance with Section 551.001, et.seq. Texas Government Code, to wit:

Section 551.087 (Economic Development) of the Local Government Code, Vernon's Texas Code Annotated (Open Meetings Act).

- Project 2014-9b
- Project 2015-2a
- Project 2015-4a

Section 551.072 (Real Estate) of the Local Government Code, Vernon's Texas Code Annotated (Open Meetings Act). Consider the sale or acquisition of properties located near the intersection of:

- Oak Street and Birmingham
- Cooper Drive and State Highway 78

RECONVENE INTO OPEN MEETING

The WEDC Board of Directors reconvened into open session at 8:30 a.m. and took no action.

ADJOURNMENT

With no further business, President Fuller adjourned the WEDC Board meeting at 8:30 a.m.



Marvin Fuller, President

ATTEST:



Samuel Satterwhite, Director